

upon compliance with the conditions set out in paragraph (b) of this section.

(b) Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (1) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success, and (2) a bond in an amount double the value, at the time the bond is given, of the cottonseed represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (i) a surety company which is authorized to do business, and is subject to service or process in a suit on the bond, in the State in which the warehouse is located, or (ii) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of its exemptions and encumbrances, to the extent of double the amount of the bond.

(Approved by the Office of Management and Budget under control number 0560-0120)

[SRA, BAE 102; 13 FR 8731, Dec. 30, 1948; 19 FR 57, Jan. 6, 1954, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 742.20 Printing of receipts.

No receipt shall be issued by a licensed warehouseman unless it is:

(a) In a form prescribed by the Administrator,

(b) Upon distinctive paper or card stock specified by the Administrator,

(c) Printed by a printer with whom the United States has a subsisting agreement and bond for such printing, and

(d) On paper and/or card stock tinted with ink in the manner prescribed by the agreement under paragraph (c) of this section.

[62 FR 33542, June 20, 1997]

§ 742.21 Partial delivery of cottonseed.

(a) If a warehouseman is requested to deliver a part only of cottonseed stored in one bin or compartment for which he has issued negotiable receipts under the act, and such delivery is made in such a manner that no accurate record of the weight of the portion delivered can be ascertained, he shall take up and cancel all receipts covering the entire contents of the bin or compartment before making such partial delivery and no receipt shall be issued for the undelivered portion until the weight of such undelivered seed has been determined.

(b) If a warehouseman is requested to deliver a part only of a lot of cottonseed for which he has issued a negotiable receipt under the act, and he can by actual accurate weight ascertain the amount to be delivered, he shall take up and cancel such receipt and issue a new receipt in accordance with the regulations in this part for the undelivered portion of the cottonseed. The new receipt shall show the date of issuance and also indicate the number and date of the old receipt.

§ 742.22 Return of receipts before delivery of cottonseed.

Except as permitted by law or by the regulations in this part, a warehouseman shall not deliver cottonseed for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver cottonseed for which he has issued a nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgment thereof.

§ 742.23 Authority for delivery of cottonseed on nonnegotiable receipt.

Each person to whom a nonnegotiable receipt is issued shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of cottonseed covered by such receipt, together with the bona fide genuine signature of such person or persons. No licensed warehouseman shall

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honor an order for the release of cottonseed covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release and that the signature of the releasing party is genuine.

§ 742.24 Receipts for storage; one bin; several bins.

Any number of receipts may be issued for cottonseed in any one bin or compartment but a receipt shall not be issued for a lot of seed, a part of which is stored in one bin or compartment and a part in another bin or compartment.

§ 742.25 Omission of grade; no compulsion by warehouseman.

No licensed warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any cottonseed stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

DUTIES OF LICENSED WAREHOUSEMAN

§ 742.26 Cottonseed must be inspected.

No licensed warehouseman shall receive into his licensed warehouse for storage cottonseed other than as defined in § 742.2(i). Neither shall he receive such seed for storage until it has been inspected by an inspector licensed under this act and found by him to be in proper condition and suitable for storage.

[SRA, BAE 102, as amended Sept. 2, 1927. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 742.27 Insurance requirements.

(a) Each licensed warehouseman when so requested in writing as to any cottonseed by the depositor thereof or lawful holder of the receipt covering such cottonseed shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such cottonseed while in his custody as a licensed warehouseman insured in his own name or arrange for its insurance otherwise to the extent so requested against loss or damage by fire, lightning, tornado, or flood. When insurance is not carried in the warehouseman's name the receipts

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shall show that the cottonseed is not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent the warehouseman from adopting a rule that he will insure all cottonseed stored in his warehouse.

(b) Each warehouseman shall keep exposed conspicuously in the place prescribed by § 742.7 and at such other place as the Administrator or his representative may from time to time designate, a notice stating briefly the conditions under which the cottonseed will be insured against loss or damage by fire, lightning, tornado, or flood.

§ 742.28 Premiums; inspections; reports.

Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of this part, pay such premium, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

§ 742.29 Insurance; collection and payment.

Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of this part, and shall, as soon as collected, promptly pay over to the persons concerned, any portion of such moneys which they may be entitled to receive from him.

§ 742.30 Shrinkage; agreement.

At the time cottonseed is received for storage the warehouseman and the depositor shall agree upon an amount to